



IMI Analyst Briefing 2025 Q1

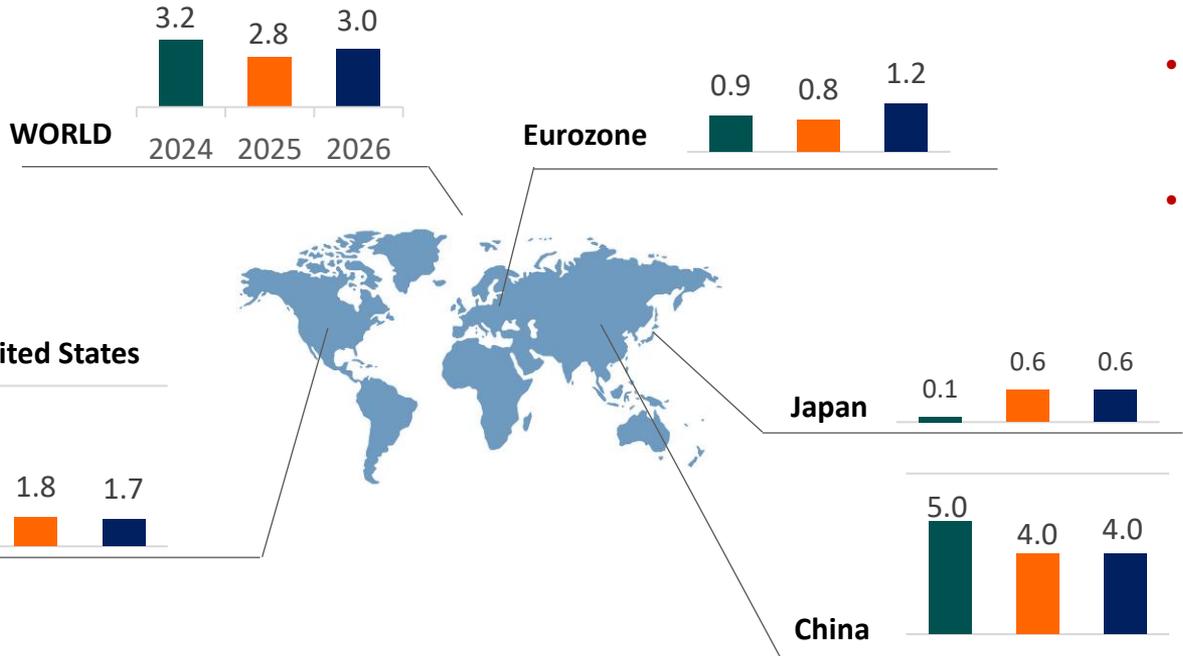
May 8, 2025
Online



Market Outlook



Economic Growth Figures



- Uncertainty from government policy shifts
- Growth rate forecasts marked down in the past few months as tariff situation unfolds
- Inflation to decrease slower than initially expected

	2024	2025	2026
Global Inflation	5.8%	4.3%	3.6%

Source: Annual GDP growth: IMF World Bank Outlook January 2025

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Automotive Market Outlook



- Escalating trade tensions has disrupted supply chains and increased costs for certain manufacturers reliant on international trade
- Linger high interest rates have dampened consumer enthusiasm particularly in the EV market
- Competition from Chinese EV manufacturers are driving down competitive market prices
- Stricter environmental regulations particularly in the EU are forcing the industry to invest heavily in technology to meet these standards



Industrial Market Outlook



- AI being deployed as proactive threat management in industrial security applications
- Data center business identified as key growth market – also emphasizing need for energy efficient technologies
- Battery innovation continues with growing need for high energy density energy sources to manage power for EVs and renewable energy applications
- Satellite based I-o-T expanding reach of market to rural and maritime based applications

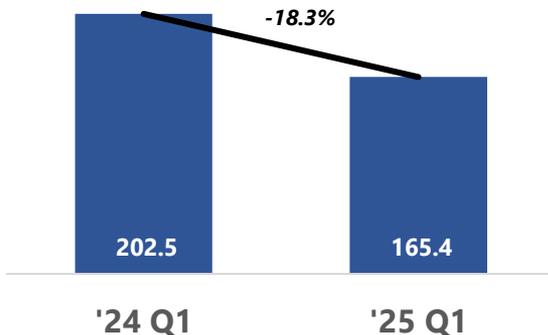


Financials



2025 Q1 Segment Updates

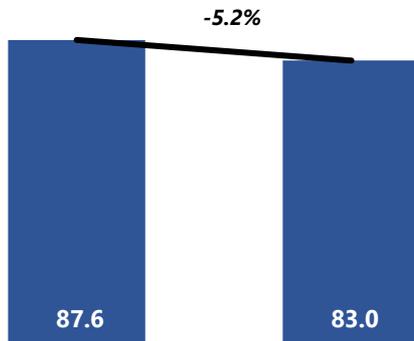
Automotive



➤ Automotive:

- Decreased demand from European end-customers affecting OEM sales
- Automotive camera revenues from IMI Philippines also affected by market slowdown
- IMI managing uncertainty from tariff situation with European tier 1's and OEMs
- Continued ramp-up phase for steering application business

Non-Auto



➤ Non-Automotive:

- Industrial market starting to stabilize after a period of inventory correction
- Continued exit from non profitable businesses
- Recovery in industrial security access revenues
- Increased revenue from energy management smart metering and HVAC applications
- Hunting opportunities in data centers and renewable energy applications

Includes non-core businesses

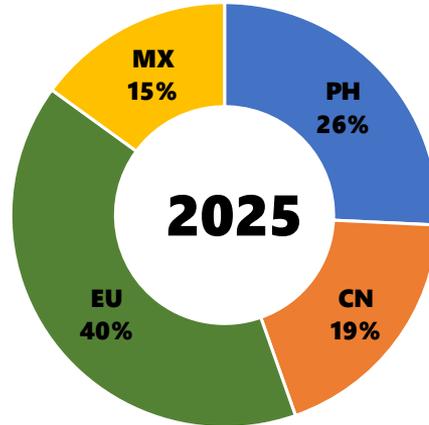
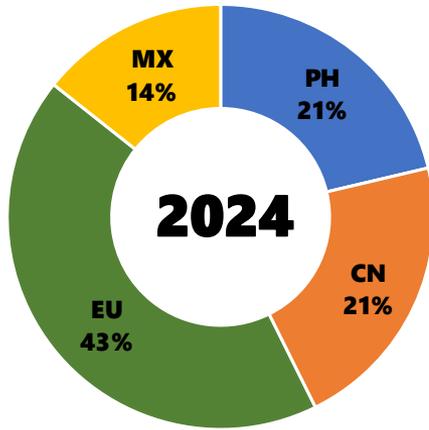
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2025 Q1 Region Updates

	'24 Q1	'25 Q1	Y/Y %
PH	56.3	57.6	2%
CN	56.5	42.2	-25%
EU	113.7	90.4	-20%
MX	37.8	33.5	-11%



➤ Philippines:

- Recovery of industrial business in the Philippines primarily from security products
- Continued growth of new industrial business lines
- Lean organizational structure leading to improved profitability

➤ China:

- Closure of Chengdu facility affecting y-o-y revenue comparison
- Rebalanced customer portfolio with reduction of share from low-profitability businesses
- Exploring other consolidation opportunities in the region to further optimize footprint

➤ Europe:

- Softness in end-customer demand continues in European automotive market
- Collaborating closely with customers to manage tariff situation between European OEMs and American market
- Transition period of customer transfers within European sites disrupting monthly volume

➤ Mexico:

- Continued ramp-up of new generation of steering application business has not yet hit peak mass production volume

Core business revenues

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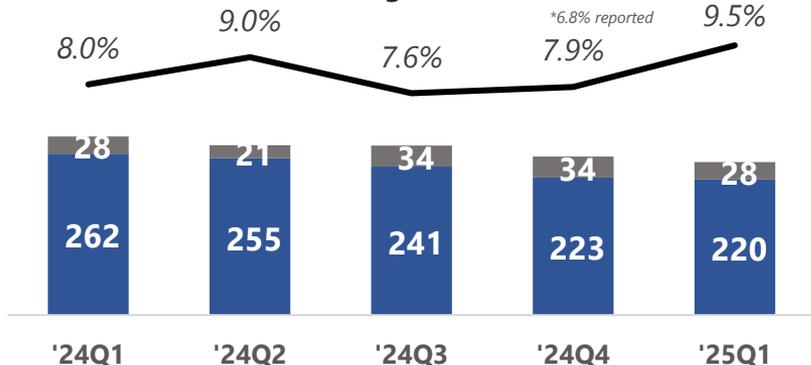




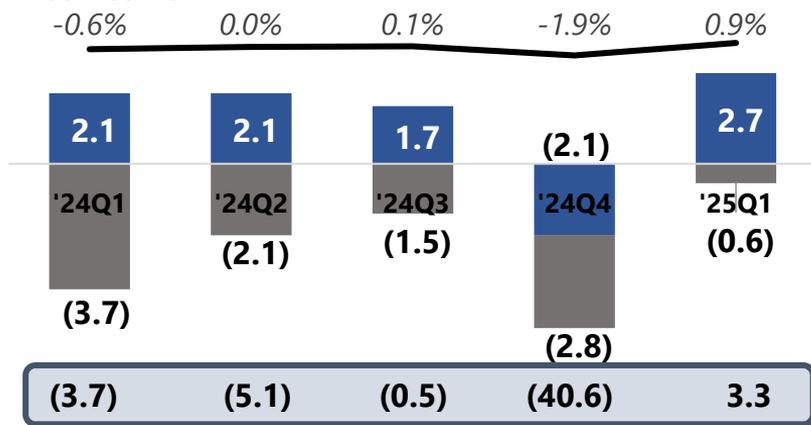
2025 Q1 Group Performance (Non-GAAP)

CORE

Revenue and Gross Profit Margin

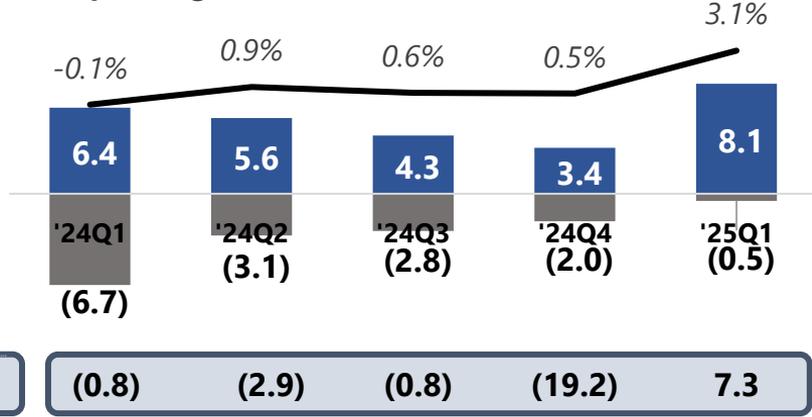


Net Income



Reported

Operating Income



Reported

- Improved profitability margins despite challenges in revenue
- Restructuring initiatives in VIA have narrowed losses in the subsidiary
- Significant amount of one-offs in 2024 to facilitate restructuring
- Non-GAAP figures in 2025 Q1 adjusted to remove unrealized FX gains

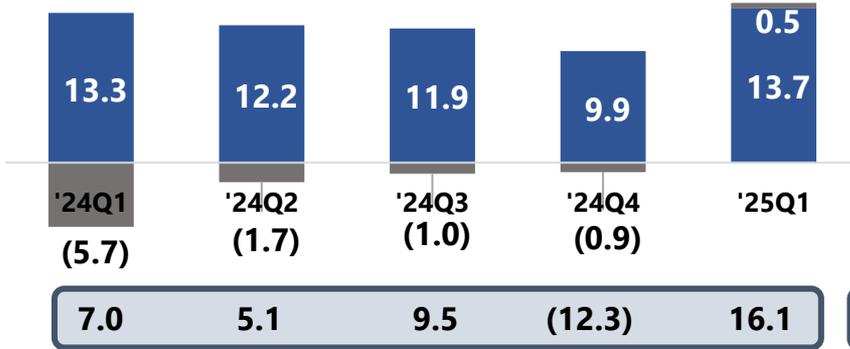
Includes non-core businesses



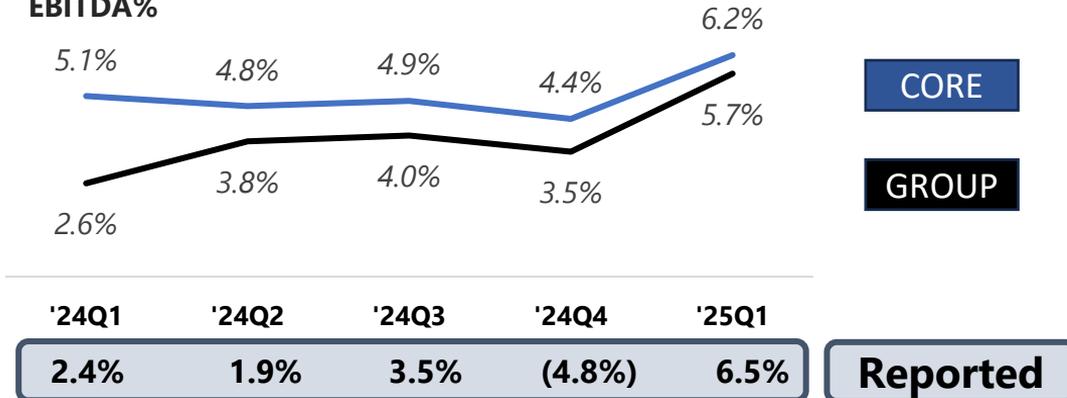


2025 Q1 Group Performance (Non-GAAP) CORE

EBITDA



EBITDA%



- Direct Material Cost improvement from renegotiation with suppliers and identification of alternative components
- Better utilization of overhead from footprint consolidation and decentralization of group functions
- Lean support organization with increased accountability reduced SG&A expenses
- Further improvement targeted with renewed focus on profitable revenue generation

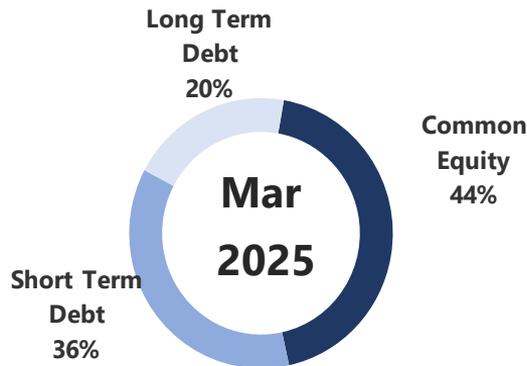
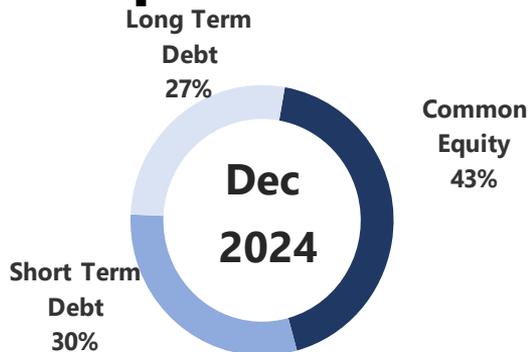
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Capital Structure



(US\$ Millions)	Dec 2024	Mar 2025
Short-Term Debt	152.6	189.1
Long-Term Debt	137.9	104.9
Total Bank Debts	290.5	294.0
Cash and Investments	92.0	115.2
Net Debt	198.5	178.8
Common Equity Attributable to Parent	218.6	229.2

Key Financial Ratios	Dec 2024	Mar 2025
Current ratio	1.39	1.43
Bank Debt/ Total Equity	1.30	1.26
Net Debt / Total Equity	0.89	0.77
Book value/share (\$) *	\$0.10	\$0.10
Book value/share (PHP) **	₱5.78	₱6.00

- \$22.4M cash generated from operations in Q1
- Long term debt paid down in Q1 with further debt reduction anticipated in coming periods
- Cash at a comfortable level with additional credit lines available
- Balance sheet ratios within target

*Excluding Minority Interest

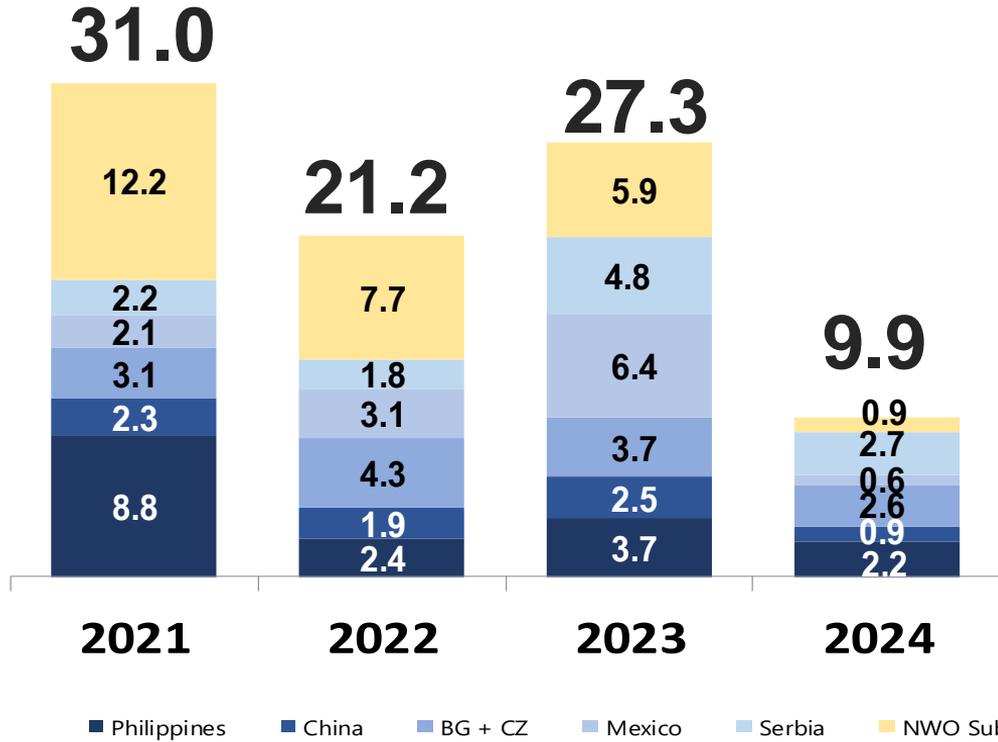
** Forex Rates at respective period close

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Disciplined Capital Investments



- Buildings.....13%
- Machinery.....11%
- Furn & Fix.....7%
- Constr. in progress.....67%
- Others.....2%



Key Takeaways

➤ Positive Net Income and EBITDA

- Core FOH and GAE decreased by \$6.1 million in y-o-y in Q1 2025
 - Shutdown of Chengdu facility and closure of various sites and offices in Europe and Asia
 - Flattened management organization
- VIA FOH and GAE decreased by \$6.3 million in y-o-y in Q1 2025
 - Restructured organization to better align with market conditions
 - Delisting from NYSE decreased regulatory and management expenses

➤ Revenues

- Continued softness in the European automotive market
- Positive on industrial turnaround with security business normalizing and significant potential in datacenters and renewable energy applications

➤ Tariffs

- Minimal direct impact given terms of business with IMI customers
- Actively managing situation with customers and their OEM partners
- Opportunities to leverage IMI's well-positioned footprint to serve companies looking to shift out of China



Q&A



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